

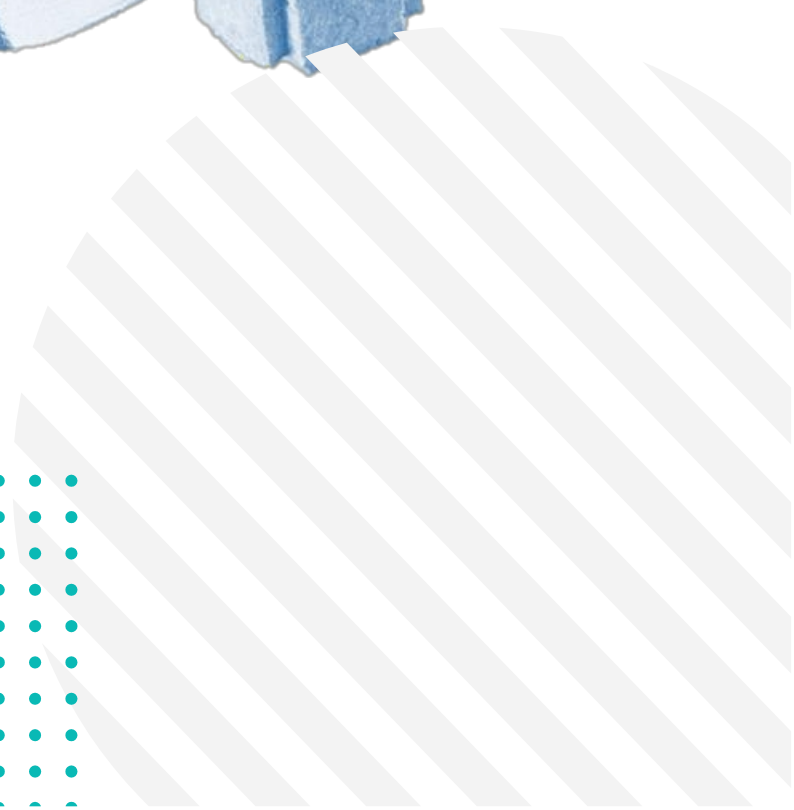
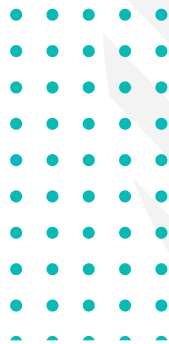


Global
INNOVATION TRADE

**Business plan for the project of creating
a workshop
production of insulation boards**



June 2023.



CONTENTS

1. PROJECT SYNOPSIS	3
1.1. Project goal.....	3
1.2. Project cost and funding sources.....	6
1.3. Project duration and key indicators.....	6
2. PROJECT STRATEGY	7
2.1. Prerequisites for the creation of the project.....	7
2.2. Economic and industrial policies conducive to project implementation.....	8
3. THE CONCEPT OF MARKET AND MARKETING	12
3.1. Supply and Demand.....	12
3.2. Comparative advantage over competitors.....	13
3.3. Location of markets, market segmentation.....	15
3.4. Sales target.....	16
3.5. Marketing expenses.....	16
4 MATERIAL RESOURCES	18
4.1. Classification of raw materials, materials, components.....	18
4.2. Supply of energy, water and gas.....	18
4.3. Raw material consumption.....	18
5 SITE LOCATION	20
6 DESIGN AND TECHNOLOGY	24
7 ORGANIZATIONAL STRUCTURE OF THE COMPANY	27
8 PERSONAL	28
8.1. The need and availability of labor resources.....	28
8.2. Requirements for personnel, the need for training and organization of training.....	28
8.3. Labor costs.....	29
9 PROJECT SCHEDULE	31
10 ENVIRONMENTAL DEMAND	33
11 FINANCIAL PLAN	34
11.1. Project cost.....	34
11.2. Loan repayment schedule.....	36
11.3. Revenue.....	39
11.4. Costs.....	39
11.5. Financial result.....	41
12 PROJECT ECONOMIC EFFICIENCY	42
12.1. NPV and IRR indicators.....	42
12.2. Break-even points.....	42
13 CONTRIBUTION OF THE PROJECT TO THE COUNTRY'S ECONOMY	44
14 CONCLUSIONS	45
15 APPLICATIONS	46
16 INFORMATION ABOUT THE PROJECT EXECUTOR	36

1. MANAGEMENT SUMMARY

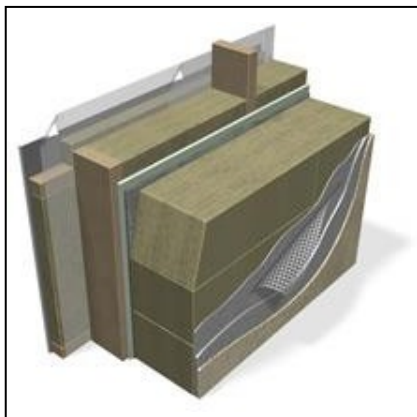
1.1. Project goal

Based on the decrees and resolutions of the President of the Republic of Uzbekistan, the decisions of the Cabinet of Ministers, the changes occurring today in the stage of economic development in our country, the government policy to create a material basis for the economy, improving the business environment in the development of the enterprise sector, all-round protection of private property, providing ample opportunities for entrepreneurship, products is intensified every year in connection with the development of exports and the allocation of soft loans to it on.



There must be a better understanding of the need to fully justify the trust placed in us by our state and to take advantage of the ample opportunities and privileges that are given to entrepreneurs year after year. Every business entity must be aware of its obligations.

Changes in the economy of Kashkadarya region, Kamashin district at the present stage of development, increasing from year to year the number of entrepreneurs, paying them a lot of attention, care, tolerance, especially in supporting entrepreneurship of young people, we can say that this is exactly the proof.



We have set a clear goal and objective: to make good use of a number of benefits established by our government, to increase the production and range of products for the population of our country, to meet the needs of the population for these products and services on the basis of limited opportunities, and to contribute to the economy of our native country

The project has two main goals:

- 1) in the organization of production - the production of high-quality insulation boards;
- 2) in the field of filling the domestic market, the project aims to meet the needs of the construction business and the widely used insulation boards by the population.

This production provides the output of relatively cheap products, replacing imports and meeting international standards, and is aimed at meeting the needs of the construction business and the population in these products.

The reasons for opening this business are, first of all, that in organizing this type of activity there is a high demand for these products in the area, and there is an opportunity to quickly sell the manufactured goods. Secondly, it was found that high profits can be achieved due to the fact that there is a high demand for this product and demand in neighboring cities and districts, and there is a steadily growing demand in the commodity market.

The project is mainly aimed at generating profits by satisfying demand for thermal insulation boards products in our country, improving the quality of the company's products to the level of world norms and standards, creating a working capital fund at the level of current demand and consumer demand.

By implementing this project, our district should achieve the following results:

1. There are plans to expand production in our area.
2. New jobs will be created. (The unemployment rate will be reduced or an increase will be prevented)
3. The demand for this product is satisfied to a certain extent.
4. Promotes economic growth.
5. The life of the population will improve.
6. Due to the fact that raw materials for the product are purchased 100% from local entrepreneurs, the development of this economic entity is supported.

Strategically the institution aims to achieve all of the above goals, and during the project period (10 years) to create a full-fledged 24-hour working complex, to create the most comfortable and socially favorable environment for employees, to create a base for the production of high-quality products for the population of the region.

Achieving these goals, the company plans to contribute to the development of the production of thermal insulation boards in our country and to take during this period one of the leading positions in our region, to become one of the industry leaders by increasing production volume in the future, as well as to attract additional investments in the region.

In the future the company will achieve all the goals set for itself, will become one of the prominent entrepreneurs in the commodity market as a large enterprise in the next five years, will take 25-30% more market share, and in ten years this figure will be taught by mature and qualified personnel, using their experience and innovative technology.

1.2. Project cost and funding sources

According to preliminary estimates, the initial cost of the project is **\$1,264,348**.

This cost is funded by:

- Loan in foreign currency: **\$787,440.00**.
- Project initiator's own funds: **\$476,907.53**.

1.3. Project duration and key indicators

Duration of the project is 10 years and the following indicators are expected to be achieved during this period:

- Average annual gross income: **\$5,255,250**.
- The average annual net income is **\$441,926**.
- Average project profitability = **8.4%**
- Real payback period of the project based on net profit = **59 months**
- Number of jobs created: **35**
- Net present value: **\$651,835**.
- Internal rate of return: **22.49%**

2. PROJECT STRATEGY

2.1. Prerequisites for the creation of the project

Targeted measures implemented by the Government of the Republic of Uzbekistan in the development of entrepreneurship, encouraging the creation of new industries and expanding the range of competitive high quality products, saturation of the domestic market with them, providing employment on this basis, increasing incomes and well-being of the population are some of the main conditions for the creation of the project.

The necessary conditions for organizing the project are based on the following:

1. Availability of market potential

The project provides for the production of thermal insulation boards. This product aims to meet the need for insulation boards in the Kashkadarya region.

2. Availability of human resources.

The decisive factor in the area of labor resources in the republic is the demographic processes that lead to a relatively high population growth, a younger composition of the population and, as a consequence, an increase in a significant share of the labor force. Uzbekistan, with a population of over 36 million people and the largest country in Central Asia, has an attractive potential to provide a relatively cheap and highly skilled labor force.

3. Availability of infrastructure and financial capabilities.

Availability of developed production infrastructure and availability of free space absolutely acceptable for installation of technological equipment, as well as location of production infrastructure on the territory of Kamashi district create favorable conditions for organization of production. In addition, the availability of financial resources, supported by income from the existing business of the enterprise, increases the possibility of implementing the project.

4. Favorable business environment

The stable socio-political situation, favorable investment climate, and the availability of necessary and accessible social and production infrastructure contribute to the rapid development of modern enterprises focused on high value-added products. Analysts point out that an important factor is the low cost of energy, as well as the presence of an important regional and domestic market. At the same time, the procedure for licensing and registration of enterprises in the country and certification of products in the food industry have been simplified.

In addition, the state continues a targeted policy of structural changes in the economy, which is primarily aimed at improving the business environment in the republic and thereby ensuring high rates of GDP growth.

2.2. Economic and industrial policies conducive to project implementation

Since gaining independence, Uzbekistan has pursued an active industrial policy. The main objectives of economic reforms, including industrial policy, are the structural reorganization of the economy from raw materials to the production of finished products with high added value, increasing the competitiveness of the national economy in the world economy, and the integrated development of all regions of the country. In general, this approach contributes to the structural structure and growth of the country's economy.

The change of the supreme power has accelerated the implementation of reforms aimed at modernizing the country. The new head of state, Shavkat Mirziyoyev, emphasizes the gradual liberalization of the economy in order to implement structural economic reforms.

The following are currently identified as the main factors of economic growth:

- active structural transformation of the economy;

- gradual orientation of export policy from the export of raw materials to the export of products with high added value;
- Continue the policy of economic liberalization and reduce the share of the state in the economy;
- Increased investment in human capital for the formation of "knowledge economy."
- expansion of digitization processes;
- creation of innovative institutions;
- comprehensive regional development.

Technological modernization and diversification of the economy have been identified as one of the priorities of economic reforms. To achieve this goal, measures include a significant increase in investment in the private sector through the implementation of fiscal and monetary policies aimed at attracting investment.

According to the new development strategy approved in Uzbekistan in 2017, by 2030 it is planned to more than double the GDP and increase the share of industry in the economy to 40%. To this end, eight special programs have been adopted to develop the chemical, textile, leather and footwear, pharmaceutical industries, hydrocarbon processing, fruit and vegetable production, and building materials production.

The development of small business and private entrepreneurship serves to increase employment and income. Significant changes are taking place in business: a moratorium on business inspections for 2 years was introduced in 2018, the institute of business ombudsman was created, a wide range of regulatory and legal documents were adopted for encouraging entrepreneurs, producing import-substituting products.

President Mirziyoyev has set a goal for the government to enter the top 20 countries by 2025 on the ease of doing business. In the World Bank's Doing Business 2018 ranking. (Doing Business 2018) ranked Uzbekistan in the top ten world leaders in improving the business environment.

The increase in the country's rating was the result of government reforms aimed at liberalizing the economy, improving the business environment, simplifying mechanisms for the provision of public services to entrepreneurs.

In this regard, in recent years cardinal reforms have been implemented to improve the institutional framework for doing business in Uzbekistan. In particular, the liberalization of monetary policy was an important step in the development of entrepreneurship, foreign trade and improving the investment climate in the country as a whole.

The country's position in the Doing Business ranking not only reflects the level of the business environment, but is also an important criterion for investment decisions in the international business community.

Taking into account the important role of foreign investment in mastering new technologies and organizing efficient production, the government of the republic pays special attention to attracting foreign investment. When implementing programs and measures for the development of industries to encourage foreign investment and increase export potential, the government of the republic, along with a policy of import protectionism, uses a classic tool of industrial policy, namely special tax and customs privileges.

In particular, enterprises with foreign investment, enterprises carrying out technological re-equipment and enterprises producing localized products are exempt from customs duties when importing technological equipment, as well as raw materials and components for use in the production process. In addition, benefits are provided for the payment of profit tax, property tax, land tax, etc.

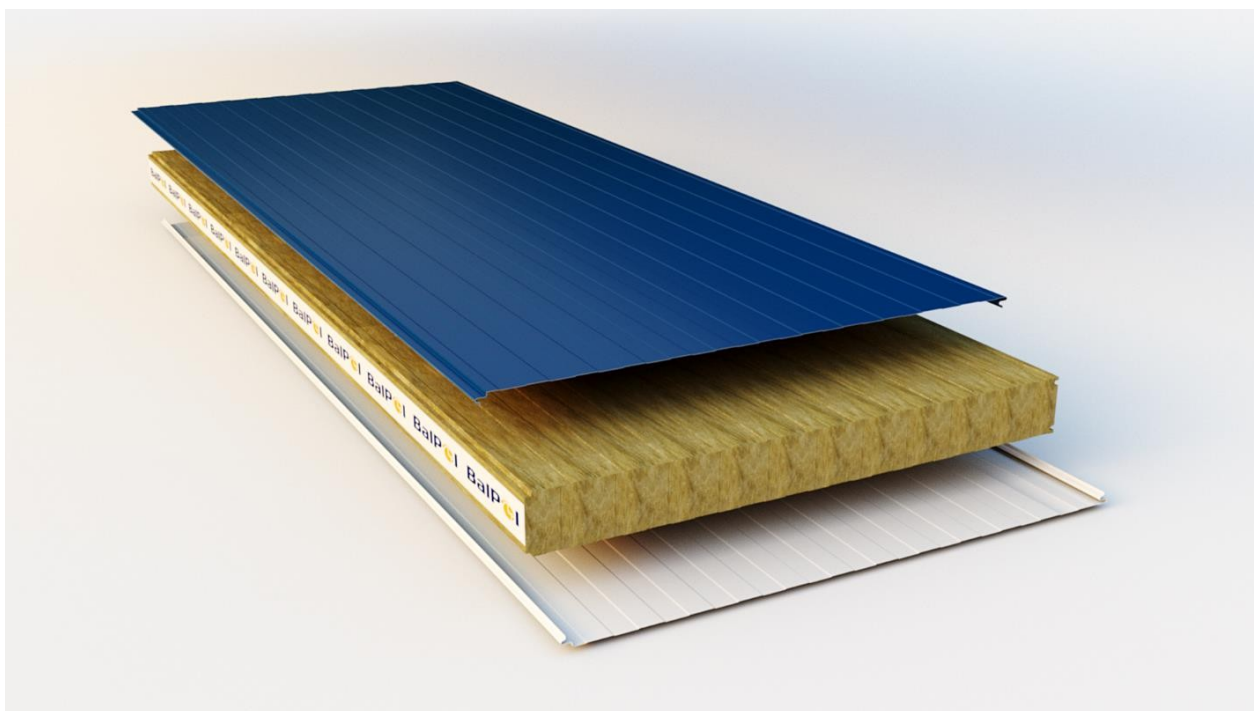
The most important tool of Uzbekistan's regional policy is the creation of free economic zones (FEZ) and free industrial zones (FEZ). One of the most important objectives of SEZs is to attract foreign and domestic investments for the development of industries based on modern technologies, which will eventually lead to the expansion of exports and the creation of favorable conditions for increasing the economic potential of the regions.

According to analysts, the cardinal measures implemented in Uzbekistan will accelerate the country's participation in the global economy and facilitate the use of global resources and technologies. At the current stage of development, the primary task of producers is to produce competitive products and to enter the international market with them, which means the integration of the national industry into the world economy. At the same time the production of products with high added value is a priority.

3. THE CONCEPT OF MARKET AND MARKETING

3.1. Supply and Demand

In the market of Uzbekistan, the number of companies producing insulation boards is small, and the market offer is represented by both domestic products and products from foreign producers.



The volume of sales in the market practically corresponds to the market supply.

Potential demand refers to the demand provided by the purchasing power of the population for insulation board products. These products are in high demand and demand, and there is a large annual potential demand in the republic.

Potential demand is influenced by the following factors:

In the market supply is less than demand (shortage of goods) - that is, an excessive reduction in supply leads to a sharp increase in demand, the attention of the population to the goods that have become scarce and the desire to buy increases.

- The standard of living of the population - i.e. improvement in the standard of living of the population increases the purchase of consumer goods and

increases potential demand, and vice versa, deterioration in the standard of living and social status causes a decrease in potential demand.

- Increased supply of substitute products and lower prices - the impact of this factor is not so significant due to the lack of substitute products for insulation boards.
- Increased imports of the same or similar products - the effect is not significant, and the current policy in Uzbekistan is aimed at reducing the number and quantity of imported products.
- Social policy - improving social protection and stability of the social environment will affect potential demand in the right proportion.
- Inflation Rate - A sharp increase or decrease in the rate of inflation or deflation can proportionally affect potential demand.

Like the above factors, many other political situations, economic stress and force majeure, technological change and globalization, integration processes, and natural disasters can also influence changes in potential demand.

3.2. Comparative advantage over competitors SWOT analysis:

S strengths	W - Weaknesses
<p>It is located in a very quiet area for business</p> <p>Availability of demand for the product</p> <p>Cheap raw material base</p>	<p>Lack of a strong brand</p> <p>Lack of qualified personnel</p>

O Opportunities	T- Threats
<p>Increased attention to production in issued Resolutions and Decrees</p> <p>Expanding the product type</p> <p>Export prospects</p>	<p>The intensity of competition with other domestic producers and by importing</p>

The table below shows a comparison table of our product with our main competitors:

Parameter	Our product	Panelplast	Technoplast	NanoPlast
Product quality	6	5	6	4
Price	6	5	4	6

For comparison with competitors used a rating system from 0 to 6: 0 points - very bad

1 point - unsatisfactory

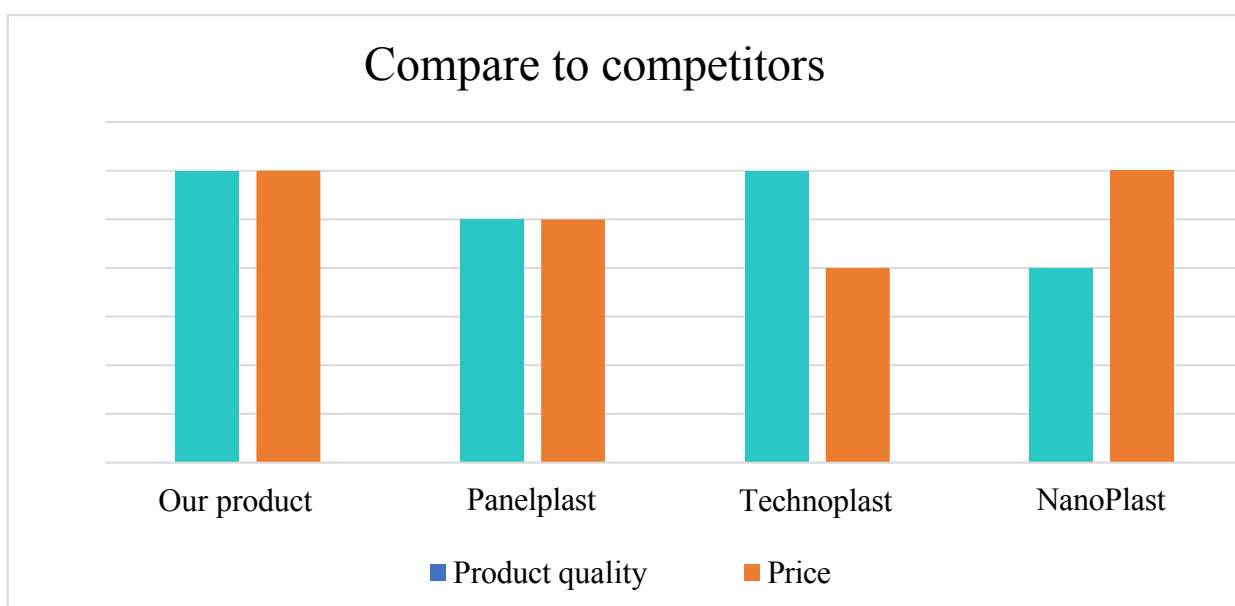
2 points - satisfactory

3 points - average

4 points - good

5 points - very good

6 points - excellent



3.3. Location of markets, market segmentation

The plant is planned to be located in the Kamashi district of the Kashkadarya region.

Market segmentation

№	Contents	Quarter 1	Quarter 2	Quarter 3
1	Client Description	Kamashi district	Kashkadarya region	Republic of Uzbekistan
2	Consumption volume	10 %	30 %	60 %
3	Population	162.7 thousand people	3,482,300	36,284.9 thousand man
4	Decreasing and increasing demand for a product or stability	This will increase	This will increase	This will increase

3.4. Sales Plan

The company receives a certificate of conformity for products manufactured in accordance with the legislation of the Republic of Uzbekistan on certification.

In the course of comparing with competitors, making commercial offers to buyers and determining the average market price, the selling price of 1 cubic meter of insulation boards was set at the equivalent of \$48.61, and the sales volume is given in the following table. :

	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Sales volume, cu. m.	58 968	72 072	85 176	98 280	111 384	131 040
Amount of sales (thousands of US dollars)	2 867	3 504	4 141	4 778	5 415	6 370

3.5. Marketing expenses

Advertising activities must be included in advertising activities.

As promotional tools are used:

1. special programs on television and radio
2. Own web page
3. Internet Marketing

The company is actively engaged in marketing. The media, newspapers and banners reinforce advertising and penetrate the population and the public with product advertisements. It opens a web page on the Internet and provides information about the product and its quality as well as its contacts. In addition, small booklets and calendars are produced.

The company conducts systematic marketing to attract, retain and increase the number of customers. The following are the types of markets.

- Accessibility all capabilities for customers (at the of the contract, types of payment, etc.)
- Fast and high-quality work in production
- Availability of various brochures and business cards
- Availability of a web page on the Internet
- The presence of advertising in different places in our republic.

Marketing budget

The company strives to provide continuous marketing spending for 10 years. The company spends 5% of its total revenue on marketing.

The table below shows the amount of marketing expenses:

Consumption name	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Marketing expenses, thousand dollars	143,33	175,18	207,03	238,88	270,73	318,50

In order to organize the successful sale of its products it is planned to offer discounts and rebates as much as possible, without negatively affecting the company's profits (if the amount of the purchase is high).

The advertisement is a mamblala samaralı or kulay ad turlariğa sarflanishi mumkin. (Banner, magazine, newspaper, radio and television advertisements, YouTube, and kurganzmalarada qatnashih va klar).

4 MATERIAL RESOURCES

4.1. Classification of raw materials, materials, components

Styrofoam is the main raw material for this activity.

Styrofoam (styrofoam) is a gas-filled material produced from polystyrene and its derivatives, as well as styrene copolymers. Styrofoam is one of the most common types of polystyrene foam. The usual technology of Styrofoam production consists of filling the styrene granules dissolved in the pollen mass with gas, and then the mass is heated by steam. In this process, the initial grains increase in size until they are shaped into a complete block and sintered together. Natural gas, which is well soluble in styrene, is used in conventional polystyrene foam.

4.2. Supply of energy, water and gas

The area in which the company operates has electricity, potable water, highways and other infrastructure and is considered a convenient place to operate. The company makes utility payments as follows:

Name of expense	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Utility costs, thousand U.S. dollars	28,67	35,04	41,41	47,78	54,15	63,70

4.3. Raw material consumption

The production of 1 piece of finished board insulation products consumed raw materials in the amount of 30.14 U.S. dollars.

The following table shows the consumption of raw materials by year:

Name of expense	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Consumption of raw materials, thous.	1 777,23	2 172,17	2 567,11	2 962,05	3 356,99	3 949,40

5 SITE LOCATION

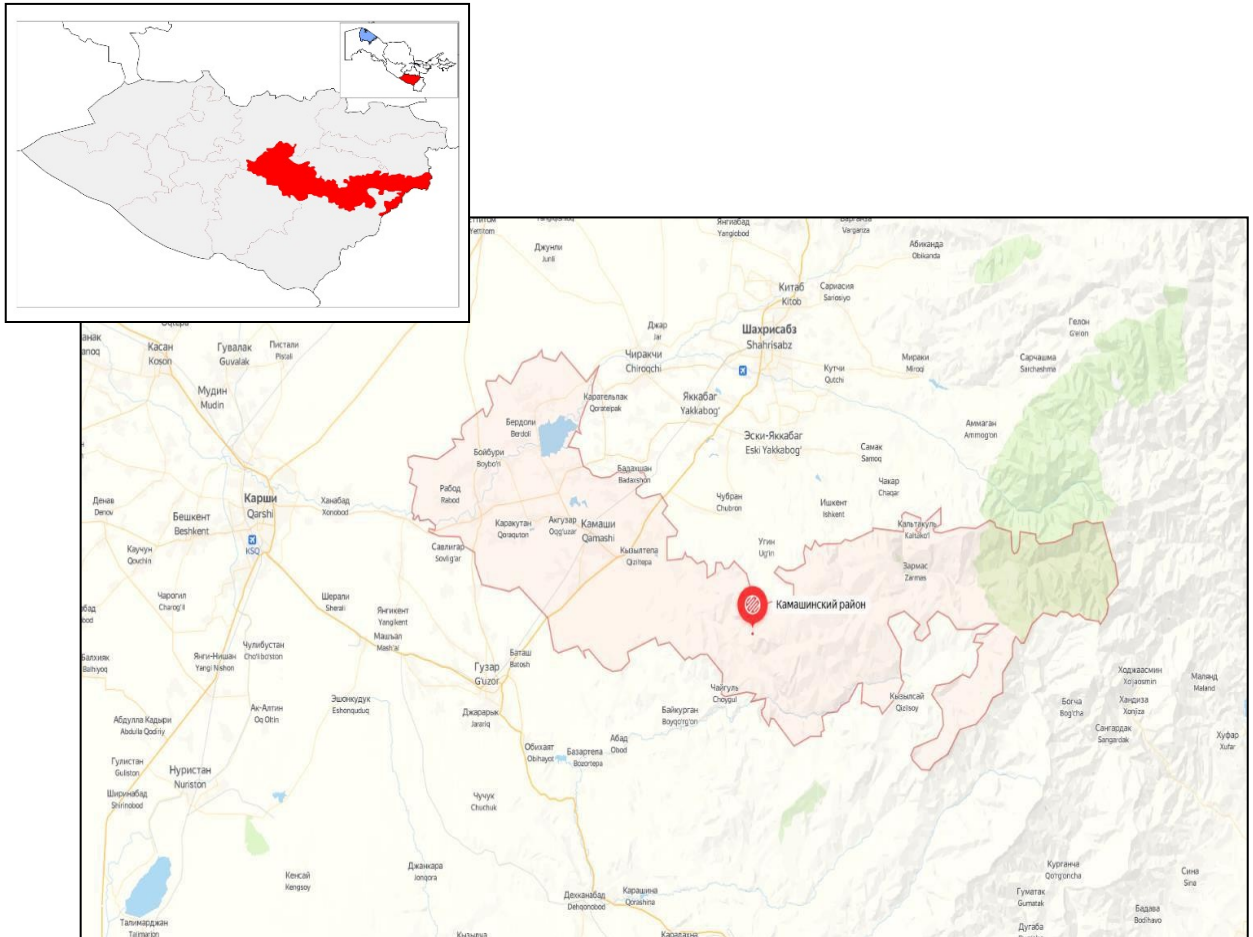
The production site is located in Kashkadarya region, Kamashi district at the following address: Kiziltepa makhalla.

The district occupies an area of more than 2.66 thousand square kilometers. It is located 60 kilometers from Karshi city and 485 kilometers from Tashkent.

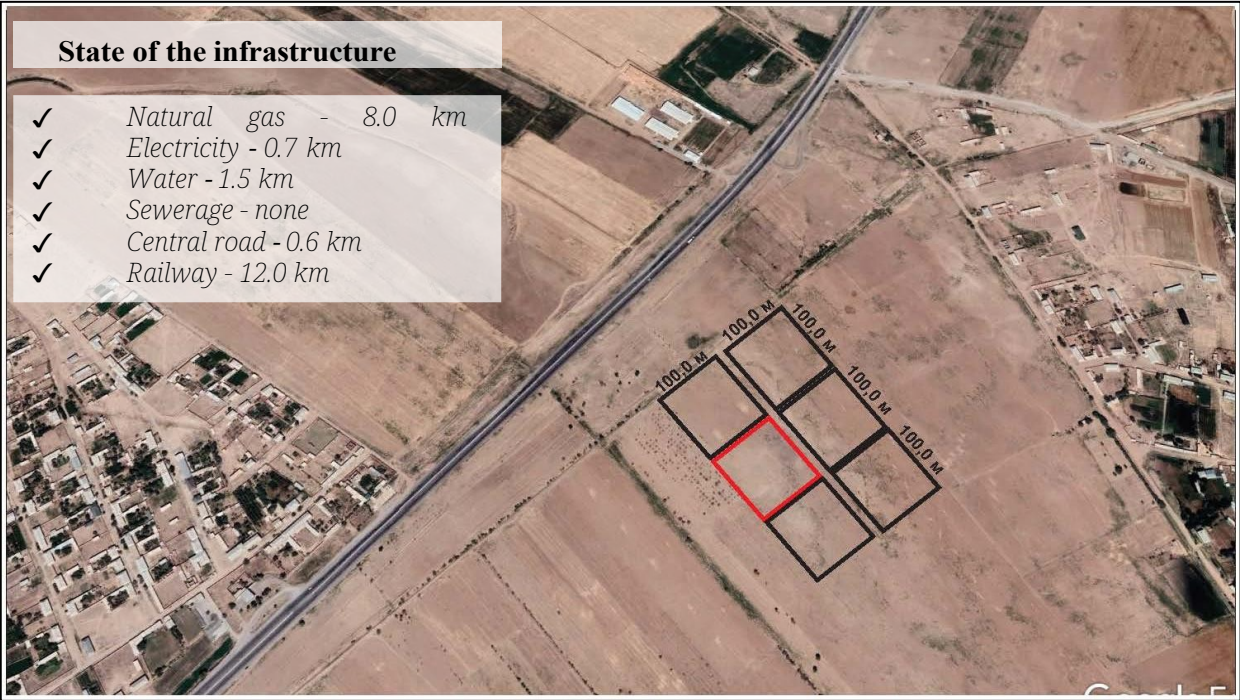
The district is connected to Karshi city by a road.

The population of the Kashkadarya region as of 2023 is 3.5 million people, and the population of the Kamashi district is 286,000.

Project Location

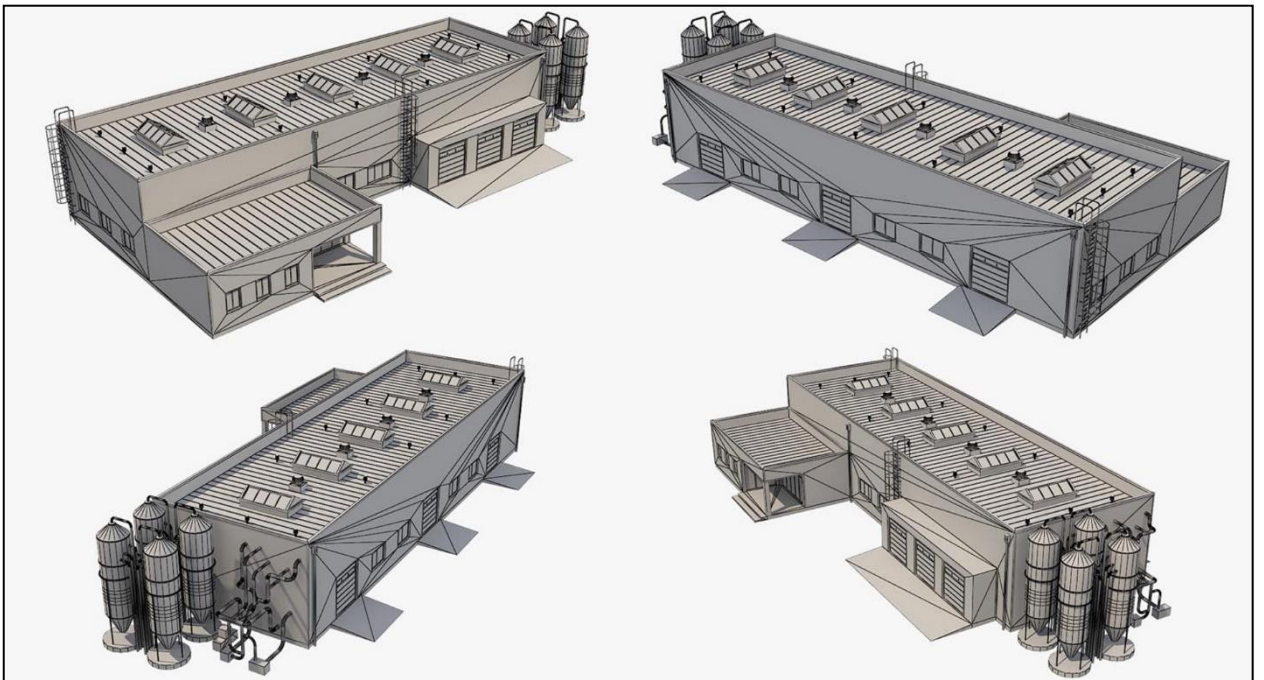


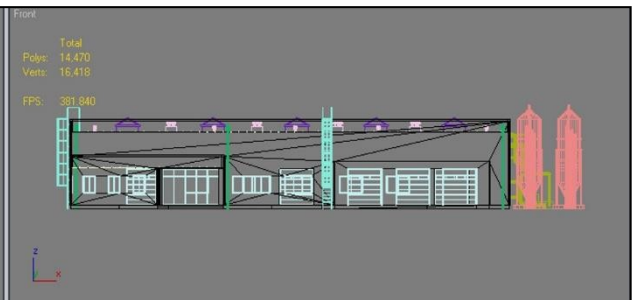
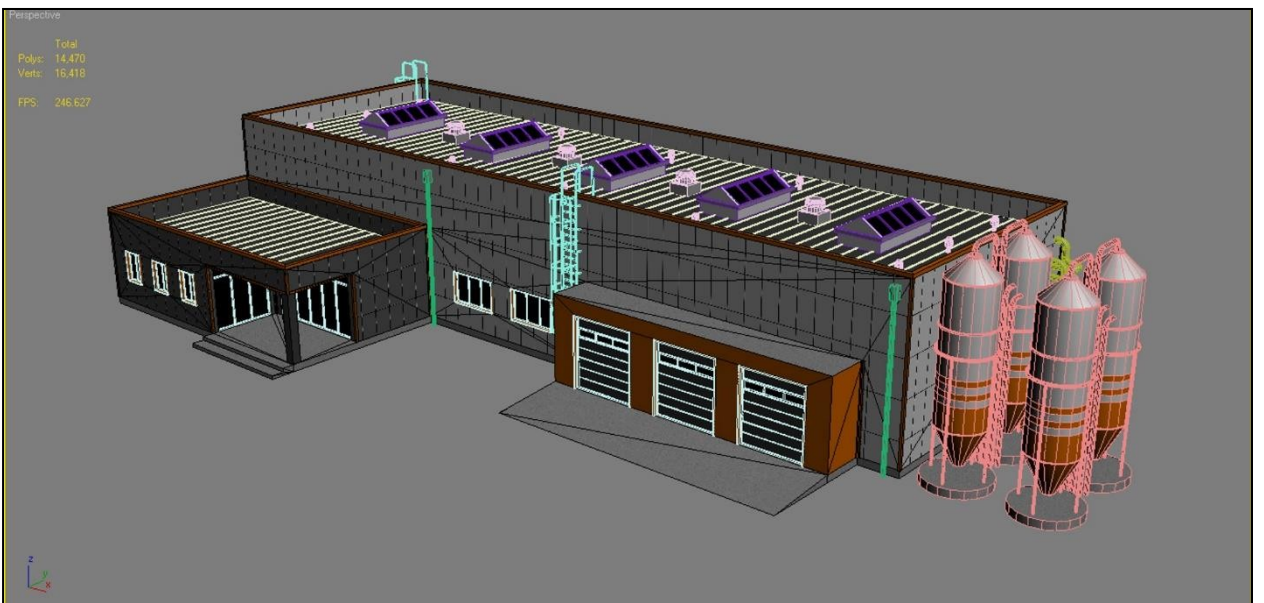
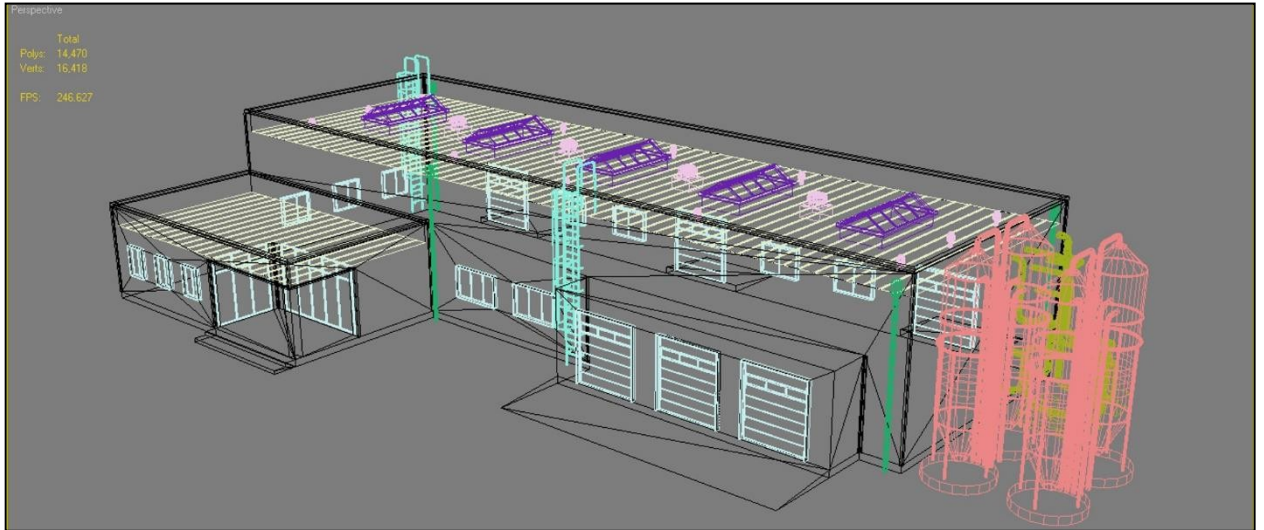
Production area



Production building







6 DESIGN AND TECHNOLOGY

After commissioning, the company plans to implement the following production facilities:

	quantity at full capacity (daily)		amount at full capacity (monthly)		amount at full capacity (annual)	
Insulation boards	520	cu. m.	10 920	cu. m.	131 040	cu. m.




Including some delays and interruptions, the performance is as follows:

	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Power utilization factor	45%	55%	65%	75%	85%	100%

Thus, the volume of production by year is expected to be as follows:

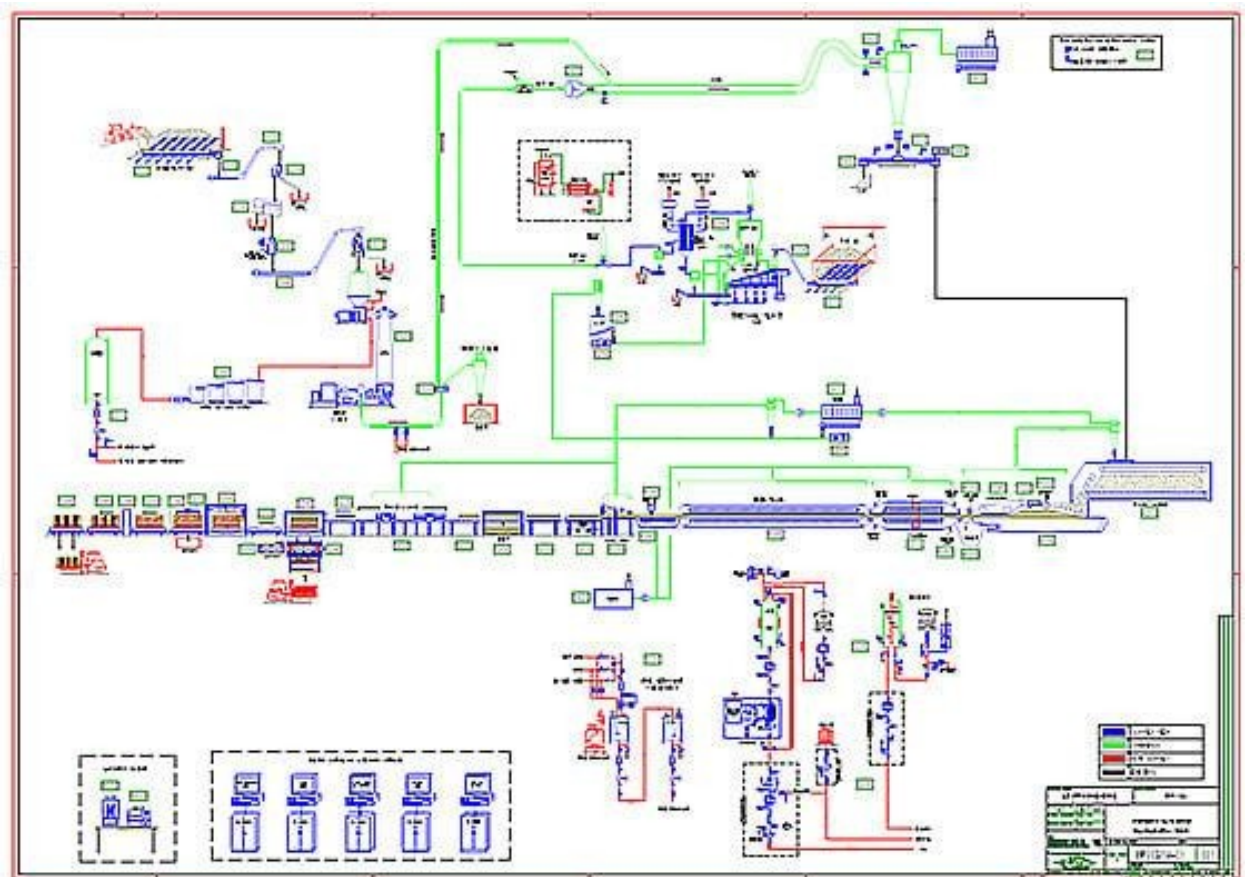
	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Thermal insulation plates, cu.m.	58 968	72 072	85 176	98 280	111 384	131 040

We received proposals for equipment for the production of thermal insulation boards up to **65 cubic meters** per hour, for which the following information is collected:

№	Vendor	Picture	Price, dollars.	Warranty period	Energy consumption
1.	Zhangjiagang City Benk Machinery		818 400	42 month	5
2.	Afex Group		787 440	Year 3	5
3.	Super Star		750 000	Year 2	3

From the table above, Afex Group was chosen as the most energy-efficient company with the ability to adapt to the production of other products and at a reasonable price.

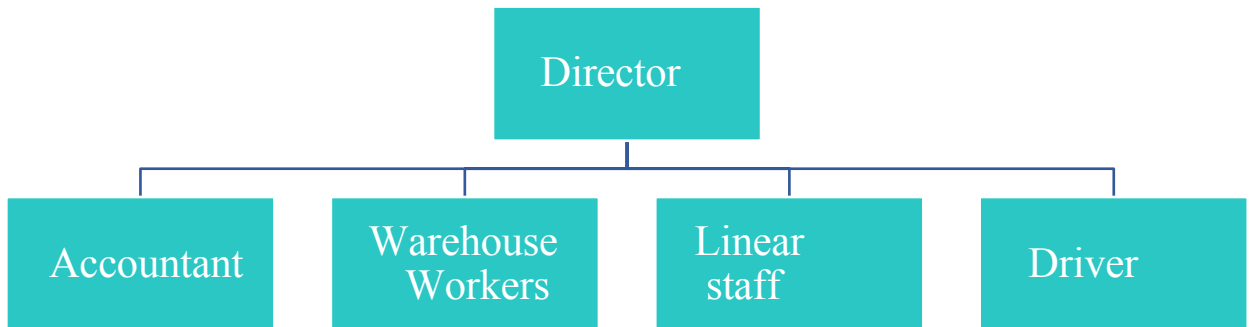
Production line



7 CORPORATE STRUCTURE

The company works with full using of the opportunities provided by the state.

The organizational structure of the business:



8 PERSONAL

8.1. The need and availability of labor resources

The need for labor and personnel for this project is 35 people. Of these, the number of administrative employees is 2, and the remaining 33 people are involved in the main and auxiliary production.

Workers' working hours are organized according to an 8-hour working day from 9 a.m. to 18.00.

The company gives bonuses and holiday gifts to employees during holidays and when the work picture improves. This makes employees more accountable for their work and creates an effective work system.

8.2. Requirements for personnel, the need for training and organization of training

Four 15-minute breaks are provided between jobs to increase efficiency and efficiency. This 1-hour break can be used as overtime on busy days.

Service personnel require skilled labor and knowledge. Therefore, requirements are imposed on employees who are hired.

Including:

Requirements for administrative staff: higher education, matching the specialty to the position and responsibilities, some experience in this or a similar area, integrity and humanity must meet the requirements.

Requirements for employees: have at least secondary education, understand the work of the field and work in a similar area for at least one year.

In addition to those listed, the qualities of discipline, honesty, integrity and truthfulness are emphasized.

The company plans to pay great attention to training and improving qualification of personnel, increasing their social and political well-being. For this purpose, it is planned to conduct training and qualification practices, internships in the same or similar type of activity (in Uzbekistan and abroad), organization of explanatory and training activities involving qualified specialists, organization of training activities in the field, proper motivation of employees.

8.3. Labor costs

The following table shows the labor costs when the enterprise is operating at full capacity:

Organization of the production of construction materials (varnish).	Co.	Average monthly salary	Monthly payroll	Annual payroll
Production		(\$)	thousand (\$)	thousand (\$)
Warehouse workers	6	500,00	3,00	36,00
Linear staff	25	450,00	11,25	135,00
Driver	2	400,00	0,80	9,6
General	33		15,05	180,60
Social security contributions Security (12% of salary)	12%		1,81	21,67
GENERAL	33		16,86	202,27
ADMINISTRATION				0
Director	1	800,00	0,80	9,60
Accountant	1	650,00	0,65	7,80
General	2		1,45	17,40
Social security contributions Security (12% of salary)	12%		0,17	2,088
GENERAL	2		1,62	19,49
ALL	35		18,48	221,76

Since labor is directly related to production volume, the payroll (in thousands of dollars) is assumed to be as follows:

Name of cost	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Salaries of production workers	91,02	111,25	131,48	151,70	171,93	202,27
Salaries of administrative staff	19,49	19,49	19,49	19,49	19,49	19,49
General	110,51	130,74	150,96	171,19	191,42	221,76

9 PROJECT SCHEDULE

The implementation of the project consists of three stages: Stage 1: Organization of preparatory work,

Term: 1-2 months

Tasks to be performed: Determination of the necessary funds and sources of capital resources to implement the project, development of the project's business books, feasibility study and business plan. Definition of project cost estimate. Creation of a system for the production of insulation boards, signing contracts and acts of agreement with organizations supplying raw materials for production, as well as contracts with local businesses and other organizations for the supply of raw materials and supplies needed after the start of operations. To apply to banking financial institutions for the amount of funds required for the implementation of this project and the documents justifying the effectiveness of the project in the prescribed manner and to obtain credit.

Stage 2: Repair of production buildings and allocation of funds: Timeframe: 3-4 months.

Work to be done: Execution of all works stipulated by the development of funds allocated under the project, completion of repair work, purchase of fixed assets, equipment, material resources and contractors.

Step 3: Get things running smoothly.

Tasks to be performed: organization of production of thermal insulation boards, keeping records of revenues, income and expenses from the sale of products, organization of effective labor activities, effective management and development of economic activities on a technical and economic basis provided for in the paragraph promote.

Given that the development of this project began in Q3 2023, complete all repairs and equipment by the end of the quarter.

The main focus of the company's activities is to achieve high quality product preparation.

Network schedule of works to be performed

№	Actions to be taken	2023		2024- year	
		September- December		January -	December
1	Developing a business plan				
2	Development of estimates for the repair of production facilities buildings and structures				
3	Signing the contract for the purchase of production equipment and machines				
3	Submission of documents to the bank to obtain a loan				
4	Opening financing by the bank				
5	Construction of buildings and structures				
5	Purchase of production equipment and machines and the production of products				
6	Project testing				

10 ENVIRONMENTAL DEMAND

In terms of environmental safety, this project is not harmful to the environment.

Technical and environmental safety is ensured by regular employee training and the necessary briefings every month, as well as strict monitoring of work process safety.

In addition, the project is based on established standards and regulations, effectively in the prescribed manner documents are implemented on the basis of economic, financial, environmental and commercial standards, activities are not contrary to the laws of the Republic of Uzbekistan.

It is planned to involve a group of eco-experts to ensure safety, environmental expertise and health and sanitary documents and present them to consumers.

11 FINANCIAL PLAN

11.1. Project cost

The cost of the project and its funding sources are presented in the table below:

NAME	CREDIT		OWN FUNDS		GENERAL		COMPOSITION
	Dollars	thousand (\$)	Dollars	thousand (\$)	Dollars	thousand (\$)	
Organization of the production of construction materials (varnish).							interest
Building, structure, construction	38 000	38,00		0,00	38 000	38,00	3,01
Furniture and auxiliary equipment	5 100	5,10		0,00	5 100	5,10	0,40
Paint production line	787 440	787,44		0,00	787 440	787,44	62,28
Transport (MAN)	226 600	226,60		0,00	226 600	226,60	17,92
BASIC TOOLS	1 057 140,00	1 057,14	0	0,00	1 057 140	1 057,14	83,61

NAME	CREDIT		OWN FUNDS		GENERAL		COMPOSITION
WORKING CAPITAL	0,00	0,00	207 208	207,21	207 208	207,21	16,39
including:							
Monthly salary (1 year)		0,00	37 367	37,37	37 367	37,37	2,96
Raw materials and other expenses (one month)		0,00	169 840	169,84	169 840	169,84	13,43
OTHER FINANCIAL COSTS, INCLUDING:	0,00	0,00	0	0,00	0	0,00	0,00
building insurance		0,00	0	0,00	0	0,00	0,00
TOTAL INITIAL PROJECT COST	1 057 140,00	1 057,14	207 208	207,21	1 264 348	1 264,35	100,00

11.2. Loan repayment schedule

Based on a loan term of 60 months, a grace period of 12 months and an annual interest rate of 13%, the repayment schedule will look as follows:

The Year	Months	Credit balance, thousands of U.S. dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
1	1	1 057,14	11,45	-	11,45
1	2	1 057,14	11,45	-	11,45
1	3	1 057,14	11,45	-	11,45
1	4	1 057,14	11,45	-	11,45
1	5	1 057,14	11,45	-	11,45
1	6	1 057,14	11,45	-	11,45
1	7	1 057,14	11,45	-	11,45
1	8	1 057,14	11,45	-	11,45
1	9	1 057,14	11,45	-	11,45
1	10	1 057,14	11,45	-	11,45
1	11	1 057,14	11,45	-	11,45
1	12	1 057,14	11,45	-	11,45
2	13	1 057,14	11,45	22,02	33,48
2	14	1 035,12	11,21	22,02	33,24
2	15	1 013,09	10,98	22,02	33,00
2	16	991,07	10,74	22,02	32,76
2	17	969,05	10,50	22,02	32,52
2	18	947,02	10,26	22,02	32,28

The Year	Months	Credit balance, thousands of U.S. dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
2	19	925,00	10,02	22,02	32,04
2	20	902,97	9,78	22,02	31,81
2	21	880,95	9,54	22,02	31,57
2	22	858,93	9,31	22,02	31,33
2	23	836,90	9,07	22,02	31,09
2	24	814,88	8,83	22,02	30,85
3	25	792,86	8,59	22,02	30,61
3	26	770,83	8,35	22,02	30,37
3	27	748,81	8,11	22,02	30,14
3	28	726,78	7,87	22,02	29,90
3	29	704,76	7,63	22,02	29,66
3	30	682,74	7,40	22,02	29,42
3	31	660,71	7,16	22,02	29,18
3	32	638,69	6,92	22,02	28,94
3	33	616,67	6,68	22,02	28,70
3	34	594,64	6,44	22,02	28,47
3	35	572,62	6,20	22,02	28,23
3	36	550,59	5,96	22,02	27,99
4	37	528,57	5,73	22,02	27,75
4	38	506,55	5,49	22,02	27,51
4	39	484,52	5,25	22,02	27,27
4	40	462,50	5,01	22,02	27,03

The Year	Months	Credit balance, thousands of U.S. dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
4	41	440,48	4,77	22,02	26,80
4	42	418,45	4,53	22,02	26,56
4	43	396,43	4,29	22,02	26,32
4	44	374,40	4,06	22,02	26,08
4	45	352,38	3,82	22,02	25,84
4	46	330,36	3,58	22,02	25,60
4	47	308,33	3,34	22,02	25,36
4	48	286,31	3,10	22,02	25,13
5	49	264,29	2,86	22,02	24,89
5	50	242,26	2,62	22,02	24,65
5	51	220,24	2,39	22,02	24,41
5	52	198,21	2,15	22,02	24,17
5	53	176,19	1,91	22,02	23,93
5	54	154,17	1,67	22,02	23,69
5	55	132,14	1,43	22,02	23,46
5	56	110,12	1,19	22,02	23,22
5	57	88,10	0,95	22,02	22,98
5	58	66,07	0,72	22,02	22,74
5	59	44,05	0,48	22,02	22,50
5	60	22,02	0,24	22,02	22,26

11.3. Revenue

The following table shows the total income from the sale of products manufactured by the entrepreneur insulation boards:

Production of insulating board products	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)
Insulation boards	2 867	3 504	4 141	4 778	5 415	6 370
TOTAL PROFITS	2 867	3 504	4 141	4 778	5 415	6 370

11.4. Costs

The costs for the production of insulating board products at the above-mentioned plant, which is planned to be built, are presented in the following tables.

Table of pre-project costs (cost of construction and acquisition of fixed assets):

№	FLOW NAME	DOLL	thousand (\$)
1	Building, structure, construction	38 000	38,00
2	Furniture and auxiliary equipment	5 100	5,10
3	Line for the production of insulation boards	787 440	787,44

№	FLOW NAME	DOLL	thousand (\$)
4	Transport (MAN) and insurance	226 600	226,60
QUANTITY		1 057 140	1 057,14

The total costs incurred in the production process are shown in the following table:

FLOW NAME	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
Organization of production of disposable containers	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)
Raw materials	1 777,23	2 172,17	2 567,11	2 962,05	3 356,99	3 949,40
Utility costs	28,67	35,04	41,41	47,78	54,15	63,70
Depreciation	207,63	207,63	207,63	207,63	207,63	207,63
Salaries of production workers	81,27	99,33	117,39	135,45	153,51	180,60
Social security contributions insurance	9,75	11,92	14,09	16,25	18,42	21,67
Other production costs	88,86	108,61	128,36	148,10	167,85	197,47
COSTS ARE INCLUDED	2 193,41	2 634,69	3 075,98	3 517,26	3 958,54	4 620,47
Wages administrative staff	17,40	17,40	17,40	17,40	17,40	17,40
Social security contributions insurance	2,09	2,09	2,09	2,09	2,09	2,09
Other expenses						
DEVELOPMENT COSTS	2 212,89	2 654,18	3 095,46	3 536,75	3 978,03	4 639,96

FLOW NAME	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
Organization of production of disposable containers	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)
Marketing expenses	143,33	175,18	207,03	238,88	270,73	318,50
Other finance costs	137,43	121,68	87,32	52,97	18,61	0,00
TOTAL DEVELOPMENT COSTS	2 493,65	2 951,04	3 389,81	3 828,59	4 267,37	4 958,46

11.5. Financial result

It is known from experience that it is very difficult for an entrepreneur to make a profit in the first year of business. But starting from the next year, due to a sharp reduction in costs and an increase in sales, the entrepreneur will have the opportunity to achieve a greater net profit and he will achieve it. And this figure will bring significant income in subsequent years.

The following table shows the company's financial results:

Production organization insulation boards	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)
Gross income	2 867	3 504	4 141	4 778	5 415	6 370
VAT	307	375	444	512	580	683
Net income	2 559	3 128	3 697	4 266	4 834	5 688
Total costs	2 494	2 951	3 390	3 829	4 267	4 958
Profit before income tax	66	177	307	437	567	729
Income tax	10	27	46	66	85	109
Net income	56	151	261	371	482	620

Thus, through the project, the initiator will receive a net profit of \$4.4 million over 10 years.

12 PROJECT ECONOMIC EFFICIENCY

12.1. NPV and IRR indicators

The amount of net discounted income from operations during the project is \$651,835, and the amount of net discounted cash receipts during the project is zero at a discount rate of 22.49 percent. Given a discount rate of 14 percent, the project is cost effective.

The table below shows the NPV and IRR:

Period	Cash flow	Rate refinancing	NPV	IRR
0	- 1 264,35	14%		
1	55,87	14%	- 1 215,34	-95,58%
2	150,53	14%	- 1 099,52	-63,22%
3	261,00	14%	- 923,35	-32,55%
4	371,48	14%	- 703,40	-12,09%
5	481,96	14%	- 453,09	1,16%
6	619,69	14%	- 170,77	10,20%
7	619,69	14%	76,88	15,43%
8	619,69	14%	294,12	18,75%
9	619,69	14%	484,68	20,96%
10	619,69	14%	651,83	22,49%

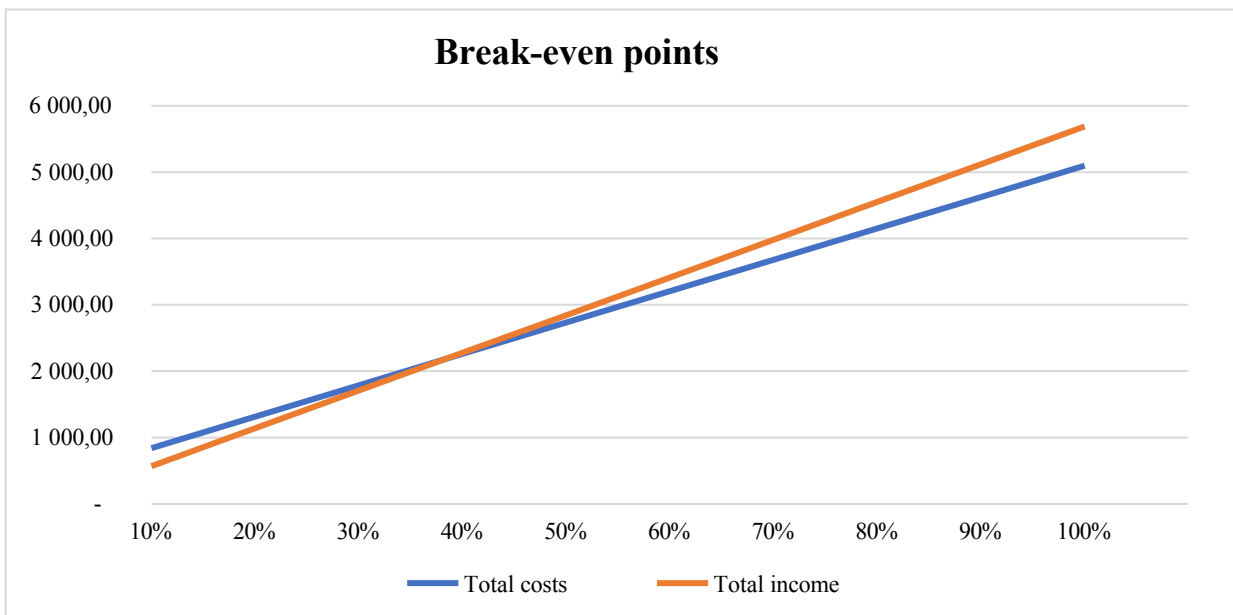
12.2. Break-even points

When working at the facility at 38-percent capacity, ie, when producing 49,960.23 m3 of insulation boards per year, the gross income of the enterprise without VAT will be equal to the total cost:

Parameter	Capacity at full capacity, thous.
Total income	5 688
Variable costs	4 731,34
Fixed costs	364,54

Parameter	Capacity at full capacity, thous.
Total costs	5 095,89
The point of harmlessness	38%

The following graph shows gross income and total expenses:



13 CONTRIBUTION OF THE PROJECT TO THE COUNTRY'S ECONOMY

In recent years, many new enterprises were created in our republic at the expense of foreign investment. These enterprises produce various products for sale in the domestic market. The main reason for creating many joint ventures is to fill the domestic market with import-substituting products using foreign experience. The development of the production of construction products using the available opportunities will serve to improve the welfare of our population. The share of small business in the gross domestic product of the country will also increase. It will be possible to develop the activities of a modern integrated plant for the production of kula in the village.

Based on the above, if the company implements this project in Nishon District, the following opportunities will be created:

- Twenty new jobs will be created, which will prevent high unemployment in the area.
- It will be possible to provide consumers with inexpensive and high-quality insulation boards at the regional and republican level.
- The local population is supplied with high quality and cheap insulation board.

14 CONCLUSIONS

Analysis of profitability and efficiency shows that the profitability of the project is 8.4% in gross terms. In addition, the real payback period of the project is 59 months due to current profits. The fact that the real payback period is less than the duration of the project indicates the financial and economic attractiveness of the industry.

As already mentioned, high rates of return show that the project is resistant to all kinds of crises and risks.

In conclusion, taking into account the above information, the project is assessed as commercially effective and stable, which indicates the need to invest in this area with the possibility of timely return on investment and the achievement of planned goals and strategic plans.

The introduction of this type of production activity is fully consistent with the current policy of the Republic of Uzbekistan and contributes to the economic and social growth and stability of the region, creating ample opportunities for development.

After studying all the data and calculations, he decides to implement a project to launch the production of plate heat insulation products.

15 APPLICATIONS

PROJECT COST

NAME	CREDIT		OWN FUNDS		GENERAL		COMPOSITION
	Dollars	thousand (\$)	Dollars	thousand (\$)	Dollars	thousand (\$)	
Organization of the production of construction materials (varnish).							interest
Building, structure, construction	38 000	38,00		0,00	38 000	38,00	3,01
Furniture and auxiliary equipment	5 100	5,10		0,00	5 100	5,10	0,40
Paint production line	787 440	787,44		0,00	787 440	787,44	62,28
Transport (MAN)	226 600	226,60		0,00	226 600	226,60	17,92
BASIC TOOLS	1 057 140,00	1 057,14	0	0,00	1 057 140	1 057,14	83,61
WORKING CAPITAL	0,00	0,00	207 208	207,21	207 208	207,21	16,39

NAME	CREDIT		OWN FUNDS		GENERAL		COMPOSITION
including:							
Monthly salary (1 year)		0,00	37 367	37,37	37 367	37,37	2,96
Raw materials and other expenses (one month)		0,00	169 840	169,84	169 840	169,84	13,43
OTHER FINANCIAL COSTS, INCLUDING:	0,00	0,00	0	0,00	0	0,00	0,00
building insurance		0,00	0	0,00	0	0,00	0,00
TOTAL INITIAL PROJECT COST	1 057 140,00	1 057,14	207 208	207,21	1 264 348	1 264,35	100,00

REPAYMENT SCHEDULE

The Year	Months	Credit balance, thous. US dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
1	1	1 057,14	11,45	-	11,45
1	2	1 057,14	11,45	-	11,45
1	3	1 057,14	11,45	-	11,45
1	4	1 057,14	11,45	-	11,45
1	5	1 057,14	11,45	-	11,45
1	6	1 057,14	11,45	-	11,45
1	7	1 057,14	11,45	-	11,45
1	8	1 057,14	11,45	-	11,45
1	9	1 057,14	11,45	-	11,45
1	10	1 057,14	11,45	-	11,45
1	11	1 057,14	11,45	-	11,45
1	12	1 057,14	11,45	-	11,45
2	13	1 057,14	11,45	22,02	33,48
2	14	1 035,12	11,21	22,02	33,24
2	15	1 013,09	10,98	22,02	33,00
2	16	991,07	10,74	22,02	32,76
2	17	969,05	10,50	22,02	32,52
2	18	947,02	10,26	22,02	32,28
2	19	925,00	10,02	22,02	32,04
2	20	902,97	9,78	22,02	31,81
2	21	880,95	9,54	22,02	31,57
2	22	858,93	9,31	22,02	31,33
2	23	836,90	9,07	22,02	31,09

The Year	Months	Credit balance, thous. US dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
2	24	814,88	8,83	22,02	30,85
3	25	792,86	8,59	22,02	30,61
3	26	770,83	8,35	22,02	30,37
3	27	748,81	8,11	22,02	30,14
3	28	726,78	7,87	22,02	29,90
3	29	704,76	7,63	22,02	29,66
3	30	682,74	7,40	22,02	29,42
3	31	660,71	7,16	22,02	29,18
3	32	638,69	6,92	22,02	28,94
3	33	616,67	6,68	22,02	28,70
3	34	594,64	6,44	22,02	28,47
3	35	572,62	6,20	22,02	28,23
3	36	550,59	5,96	22,02	27,99
4	37	528,57	5,73	22,02	27,75
4	38	506,55	5,49	22,02	27,51
4	39	484,52	5,25	22,02	27,27
4	40	462,50	5,01	22,02	27,03
4	41	440,48	4,77	22,02	26,80
4	42	418,45	4,53	22,02	26,56
4	43	396,43	4,29	22,02	26,32
4	44	374,40	4,06	22,02	26,08
4	45	352,38	3,82	22,02	25,84
4	46	330,36	3,58	22,02	25,60
4	47	308,33	3,34	22,02	25,36
4	48	286,31	3,10	22,02	25,13

The Year	Months	Credit balance, thous. US dollars	Interest payments, thousands of U.S. dollars	Principal payments, thous.	Total fee, thousand U.S. dollars
5	49	264,29	2,86	22,02	24,89
5	50	242,26	2,62	22,02	24,65
5	51	220,24	2,39	22,02	24,41
5	52	198,21	2,15	22,02	24,17
5	53	176,19	1,91	22,02	23,93
5	54	154,17	1,67	22,02	23,69
5	55	132,14	1,43	22,02	23,46
5	56	110,12	1,19	22,02	23,22
5	57	88,10	0,95	22,02	22,98
5	58	66,07	0,72	22,02	22,74
5	59	44,05	0,48	22,02	22,50
5	60	22,02	0,24	22,02	22,26

BASIC TOOLS

№	FLOW NAME	DOLL	thousand (\$)
1	Building, structure, construction	38 000	38,00
2	Furniture and auxiliary equipment	5 100	5,10
3	Line for the production of insulation boards	787 440	787,44
4	Transport (MAN) and insurance	226 600	226,60
QUANTITY		1 057 140	1 057,14

DEPRECIATION OF FIXED EQUIPMENT

NAME EXAMPLE	1 year	Year 2	Year 3	Year 4	Year 5	Year 6- 10
Depreciation, thous. US dollars	207,63	207,63	207,63	207,63	207,63	207,63

UNEMPLOYMENT FUND

Production organization construction materials (varnish).	Co-number	Average monthly salary	Monthly payroll	Annual payroll
		(\$)	thousand (\$)	thousand (\$)
Production				
Warehouse Workers	6	500,00	3,00	36,00
Linear staff	25	450,00	11,25	135,00
Driver	2	400,00	0,80	9,6
General	33		15,05	180,60
Social security contributions Security (12% of salary)	12%		1,81	21,67
GENERAL	33		16,86	202,27
ADMINISTRATION				0
Director	1	800,00	0,80	9,60
Accountant	1	650,00	0,65	7,80
General	2		1,45	17,40
Social security contributions Security (12% of salary)	12%		0,17	2,088
GENERAL	2		1,62	19,49
ALL	35		18,48	221,76

EMPLOYMENT BENEFITS FUND BY YEAR

Name of cost	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
Salaries of production workers	91,02	111,25	131,48	151,70	171,93	202,27
Wages administrative staff	19,49	19,49	19,49	19,49	19,49	19,49
General	110,51	130,74	150,96	171,19	191,42	221,76

REVENUE AND SALES PLAN

Production of insulating board products	1 year	Year 2	Year 3	Year 4	Year 5	Year 6-10
	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)	thousand (\$)
Insulation boards	2 867	3 504	4 141	4 778	5 415	6 370
TOTAL PROFITS	2 867	3 504	4 141	4 778	5 415	6 370

EXPENDITURE PLAN

FLOW NAME	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
Organization of production of disposable containers	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)
Raw materials	1 777,23	2 172,17	2 567,11	2 962,05	3 356,99	3 949,40
Utility costs	28,67	35,04	41,41	47,78	54,15	63,70
Depreciation	207,63	207,63	207,63	207,63	207,63	207,63
Salaries of production workers	81,27	99,33	117,39	135,45	153,51	180,60
Social security contributions	9,75	11,92	14,09	16,25	18,42	21,67
Other production costs	88,86	108,61	128,36	148,10	167,85	197,47
COSTS ARE INCLUDED	2 193,41	2 634,69	3 075,98	3 517,26	3 958,54	4 620,47
Salaries of administrative staff	17,40	17,40	17,40	17,40	17,40	17,40

FLOW NAME	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
Organization of production of disposable containers	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)	thousand (US dollars)
Social security contributions	2,09	2,09	2,09	2,09	2,09	2,09
Other expenses						
DEVELOPMENT COSTS	2 212,89	2 654,18	3 095,46	3 536,75	3 978,03	4 639,96
Marketing expenses	143,33	175,18	207,03	238,88	270,73	318,50
Other financial expenses	137,43	121,68	87,32	52,97	18,61	0,00
TOTAL DEVELOPMENT COSTS	2 493,65	2 951,04	3 389,81	3 828,59	4 267,37	4 958,46

FINANCIAL RESULT

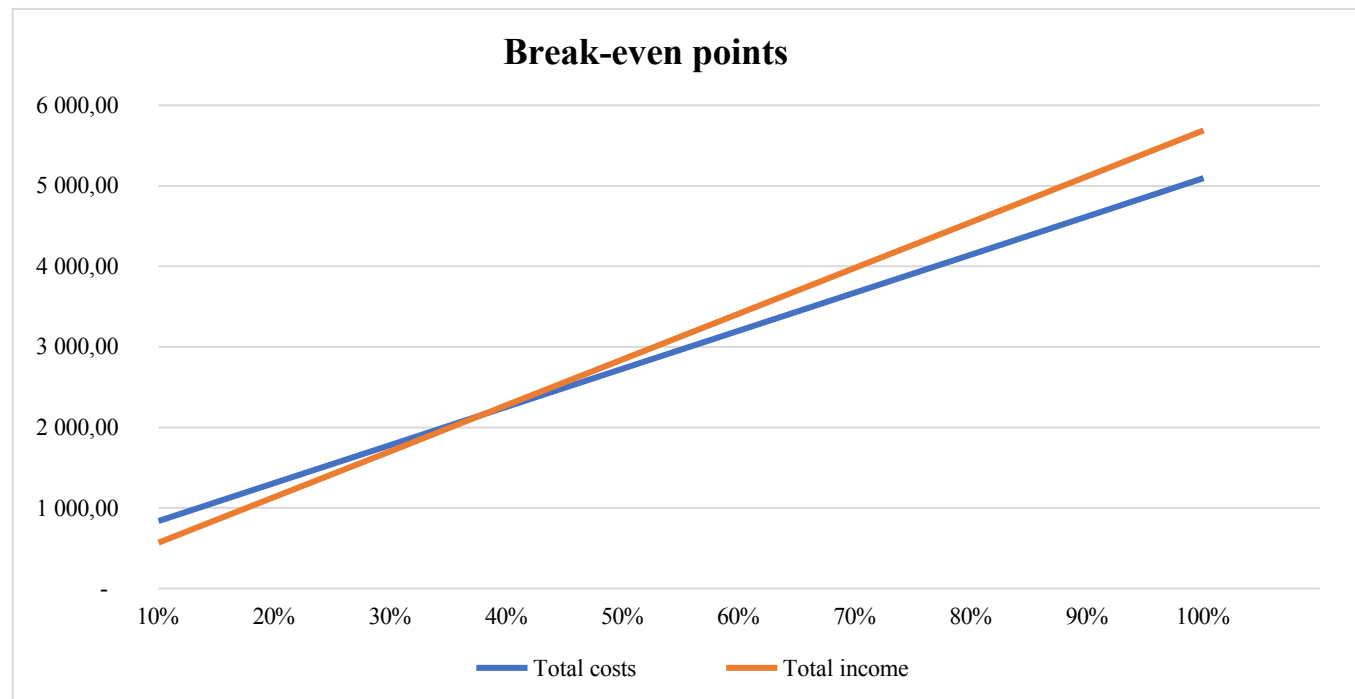
Organization of production of insulation boards	1 year	Year 2	Year 3	Year 4	Year 5	Year 6
	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)	thousand (USD)
Gross income	2 867	3 504	4 141	4 778	5 415	6 370
VAT	307	375	444	512	580	683
Net income	2 559	3 128	3 697	4 266	4 834	5 688
Total costs	2 494	2 951	3 390	3 829	4 267	4 958
Profit before income tax	66	177	307	437	567	729
Income tax	10	27	46	66	85	109
Net income	56	151	261	371	482	620

NPV&IRR

Period	Cash flow	Refinancing rate	NPV	IRR
0	- 1 264,35	14%		
1	55,87	14%	- 1 215,34	-95,58%
2	150,53	14%	- 1 099,52	-63,22%
3	261,00	14%	- 923,35	-32,55%
4	371,48	14%	- 703,40	-12,09%
5	481,96	14%	- 453,09	1,16%
6	619,69	14%	- 170,77	10,20%
7	619,69	14%	76,88	15,43%
8	619,69	14%	294,12	18,75%
9	619,69	14%	484,68	20,96%
10	619,69	14%	651,83	22,49%

BREAKEVEN POINT

Parameter	Capacity at full capacity, thous.
Total income	5 688
Variable costs	4 731,34
Fixed costs	364,54
Total costs	5 095,89
The point of harmlessness	38%



16 INFORMATION ABOUT THE EXECUTOR OF THE PROJECT

Business plan "Opening of clinker production" was made by the research agency "**Global Innovation Trade**". All our specialists have impressive experience in developing business plans, supported by deep knowledge in various areas of economics and business, the presence of a strong information base, knowledge of the most advanced approaches to business organization, knowledge of the latest methods of calculation and their competent adaptation to the specifics of the region or a particular industry.



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